COMPANY REGISTRATION NUMBER SC106918

MODERN HOUSING LIMITED

ABBREVIATED ACCOUNTS

FOR

31 DECEMBER 2009



MODERN HOUSING LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

CONTENTS **PAGE**

Independent auditor's report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3

MODERN HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT TO MODERN HOUSING LIMITED

IN ACCORDANCE WITH CHAPTER 3 OF SECTION 16 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Modern Housing Limited for the year ended 31 December 2009 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

ALAN M BLUE (Senior Statutory Auditor)
For and on behalf of
GILLILAND & COMPANY
Chartered Accountants
& Statutory Auditor

216 West George Street
Glasgow
G2 2PQ

20 September 2010

MODERN HOUSING LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	£	2008 £
FIXED ASSETS	**2**			
Tangible assets			**5,460,697**	3,896,083
Investments			**2**	4
			5,460,699	3,896,087
CURRENT ASSETS				
Stocks		**36,759**		-
Debtors		**32,264**		85,812
Cash at bank and in hand		**10,983**		2,929
		80,006		88,741
CREDITORS: Amounts falling due within one year		**3,407,011**		2,802,126
NET CURRENT LIABILITIES			**(3,327,005)**	(2,713,385)
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,133,694**	1,182,702
CREDITORS: Amounts falling due after more than one year			**-**	554,000
			2,133,694	628,702
CAPITAL AND RESERVES				
Called-up equity share capital	**4**		**100**	100
Revaluation reserve			**2,088,374**	664,996
Profit and loss account			**45,220**	(36,394)
SHAREHOLDERS' FUNDS			**2,133,694**	628,702

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 20 September 2010, and are signed on their behalf by:

A SMITH
DIRECTOR

Company Registration Number: SC106918

The notes on pages 3 to 5 form part of these abbreviated accounts.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost. Costs of refurbishment of properties is based on costs specific to each property together with costs allocated to each property by the directors in line with professionally costed bill of quantities.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	25% Cost
Equipment	-	25% Cost

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Properties are valued a minimum of every 3 years by professionally qualified property experts. In the intervening years the directors assess the value of the properties.

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises purchase price of properties including all associated fees and duties, together with all attributable direct costs incurred to date as identified by the directors.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a small self-administered pension scheme for its directors and other nominated employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST OR VALUATION			
At 1 January 2009	**3,969,765**	**114**	**3,969,879**
Additions	**178,562**	**–**	**178,562**
Disposals	**(36,759)**	**–**	**(36,759)**
Revaluation	**1,423,378**	**–**	**1,423,378**
At 31 December 2009	**5,534,946**	**114**	**5,535,060**
DEPRECIATION AND AMOUNTS WRITTEN OFF			
At 1 January 2009	**73,682**	**110**	**73,792**
Charge for year	**567**	**2**	**569**
At 31 December 2009	**74,249**	**112**	**74,361**
NET BOOK VALUE			
At 31 December 2009	**5,460,697**	**2**	**5,460,699**
At 31 December 2008	3,896,083	4	3,896,087

2. FIXED ASSETS *(continued)*

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually on this basis, any surplus or deficit being transferred to the revaluation reserve. Accordingly, such assets are not depreciated as this would conflict in the Director's opinion, with the requirement to give a true and fair view, (see note 1). It is not possible to quantify the depreciation which would otherwise have been charged.

Had the company's investment properties not been revalued they would have been stated at cost and net book value of £3,407,338.

The net book value of investments represents the entire issued share capital of Lapday Limited, a non-trading company.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. RELATED PARTY TRANSACTIONS

The company was under the joint control of Mr A Smith and Mrs D Smith throughout the current and previous year. The balance owed to the Directors at 31st December 2009 amounted to £147 (2008: £48,018).

4. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid:

	2009		2008	
	No	**£**	No	£
100 Ordinary shares of £1 each	**100**	**100**	100	100